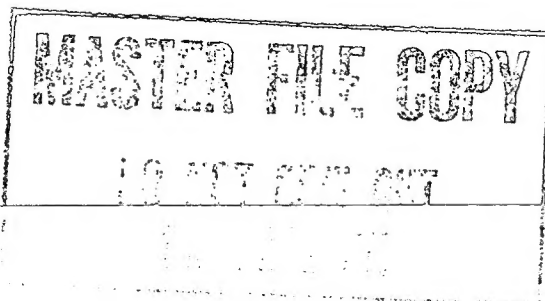




Directorate of
Intelligence

Secret



25X1

Uganda: Obote's Problems and Prospects

25X1

An Intelligence Memorandum

Secret

ALA 82-10067
May 1982

Copy 268

Page Denied



**Directorate of
Intelligence**

Secret

25X1

Uganda: Obote's Problems and Prospects

25X1

An Intelligence Memorandum

*Information available as of 31 March 1982
has been used in the preparation of this report.*

This memorandum was prepared by [redacted]
[redacted] the Office of African and Latin American
Analysis. Comments and queries are welcome and
may be addressed to the Chief, West and East Africa
Division, ALA, [redacted]

25X1

25X1

25X1

This paper was coordinated with the Directorate of
Operations and with the National Intelligence
Council. [redacted]

25X1

Secret

*ALA 82-10067
May 1982*



Secret

25X1

**Uganda: Obote's
Problems and Prospects**

25X1

Summary

Serious security and economic problems continue to plague President Milton Obote's 16-month-old government. His success in attracting foreign aid and adopting measures that could generate substantial economic growth over the long term, however, gives his government a fair chance to survive.

25X1

A guerrilla attack on an Army barracks in late February increased tensions and demonstrated the weakness of government security forces. Obote's most pressing task now is to strengthen and to gain firm control of the Army and police in order to protect his own position and to provide a peaceful setting for economic recovery. Uganda's three main guerrilla groups are attempting to capitalize on the disruption caused by the attack on the barracks and the security forces' subsequent heavyhanded reprisals against civilians. Despite some military aid from Libya, however, the guerrillas appear to lack secure base areas in any neighboring countries, to be short of arms, and to be divided by tribal and personal rivalries.

25X1

25X1

Tribal dissension in the Army is potentially a more serious threat to Obote than the guerrillas. Obote's opponents in the military apparently still have significant support among Army personnel,

25X1

The economy of Uganda, still in deep trouble, is at least beginning to show some positive signs of response to Obote's June 1981 reform package:

- Inflation, still over 100 percent, appears to be slackening.
- Higher prices for producers are relieving a serious food deficit and luring some of the previously smuggled coffee back into regular trade channels.

Although generally depressed world markets for Uganda's traditional exports will constrain progress, Obote may make enough headway with his economic policies to avoid being challenged on this basis in the near term.

25X1

The more difficult economic challenges will comprise measures to overcome an excessively heavy dependence on coffee exports and to restore momentum to public and private investment. The signs are encouraging in this regard, but the eight years of neglect under President Idi Amin (1971-79) mean that much remains to be done.

25X1

Secret

25X1

For the moment, Obote can bask in his success in securing about \$750 million in various forms of aid commitments from multilateral organizations and Western governments. The bill for rebuilding and modernizing Uganda will be much larger than this, however, and it is too soon to judge how well Obote's administration will do in sustaining development. [REDACTED]

25X1

Almost any successor regime probably would be less friendly toward the United States and the West, and might establish closer ties with the Soviet Bloc and the Libyans. Obote's ouster, particularly by violent means, probably would cause the situation in Uganda to deteriorate badly once again. This would cause new concern among neighboring countries about security along their borders with Uganda, and might prompt some of them to turn to the United States for increased military aid. [REDACTED]

25X1

Secret

Secret

25X1

**Uganda: Obote's
Problems and Prospects**

25X1

The Ugandan President's prospects for staying in power are clouded by his government's inability to show rapid progress in dealing with the country's deep-seated security and economic problems, which have plagued the government since Obote's controversial election in December 1980. Although Obote still lacks the political or military strength to improve the situation rapidly, his opponents are divided, poorly organized, and without strong foreign support. This gives Obote a fair chance to survive unless he fails to prevent conditions from deteriorating further. Over the longer term, the security and economic measures he has introduced could be effective enough to enable him to strengthen his position.

25X1

Guerrilla Challenge

The government's vulnerability to the guerrillas was highlighted by a dramatic rebel attack on a Ugandan Army barracks in Kampala on 23 February. As many as 200 may have taken part in the assault—a contrast with the usual guerrilla raids, which almost always have been staged by small groups of less than 100. The guerrillas apparently were at least partially successful in their immediate objective of acquiring more arms and ammunition.

25X1

The assault has kept tensions high and diverted the attention of senior officials from dealing with major economic and political issues. The guerrillas, who had been relatively inactive for several months, may have attacked in part to prove to Obote and to their Libyan benefactors that they are still an important force.

25X1

Of the three guerrilla groups, Yoweri Museveni's National Resistance Movement (NRM) and the Uganda Freedom Movement (UFM) are the most troublesome for the government. They have made sporadic attacks on Army and police outposts in southern Uganda over the past year. Museveni, a reputed leftist, was a leader in the interim government after President Idi Amin was overthrown. He went underground after running in, and losing, the race for the presidency against Obote. The UFM, which apparently staged the February attack, includes former members of the opposition Democratic Party. It draws much of its support from Western and business-oriented groups, particularly the country's largest tribe—the Baganda—which has long been at odds with Obote.

25X1

¹ In 1966 Obote abolished the semiautonomous kingdom of the Baganda tribe and other smaller tribal kingdoms, and subsequently sent troops to put down an attempt by Baganda leaders to secede from Uganda. The Baganda constitute 16 percent of the population.

25X1

Secret

Table 1**Major Ugandan Dissident Groups ^a**

| Name | Leaders | Area of Support |
|------------------------------|---|---|
| National Resistance Movement | Yoweri Museveni, effective leader (former senior official in post-Amin governments) Yusufu Lule, titular chairman (first President of Uganda after Amin) | Southern and southwestern Uganda, particularly among Museveni's Ankole tribe. |
| Uganda Freedom Movement | Balaki Kirya, chairman Andrew Kayiira, military leader | Mainly southern and eastern Uganda; particularly strong among Baganda tribe. |
| Uganda National Rescue Front | Moses Ali, chairman (former Finance Minister under Amin) Felix Onama, former minister in Obote's first government (1960s) | Northwestern Uganda (consists largely of former soldiers from Amin's army). |

^a The three major dissident groups have united in an umbrella organization called the Uganda Popular Front.

25X1

Members of the NRM and the UFM probably are capable of further hit-and-run raids, although it is unlikely that they can conduct a sustained campaign. They move freely in some southern areas of the country, where they have sympathizers among the local population. They also have support in the Army. Although some Baganda support the UFM, many members of the Baganda and other southern tribes who dislike Obote probably still back the leading Democratic Party politicians who have remained in the National Assembly as a "loyal" opposition. [REDACTED]

25X1

The third guerrilla group, consisting largely of remnants of Amin's army, controls parts of the West Nile and Madi Provinces in northwestern Uganda. It is less organized than the guerrillas in the south and is split into at least two factions—the larger appears to be the Uganda National Rescue Front. Although government forces are having trouble regaining full control of the northwestern region, the guerrillas in this remote area are not a direct threat to the regime's control in Kampala. [REDACTED]

25X1

While each guerrilla group may be able to field as many as a few thousand armed men, factional divisions and poor organization have thus far prevented them from being militarily effective. The dissident groups have talked of uniting to increase the military pressure on Obote, but tribal and

Secret

Secret

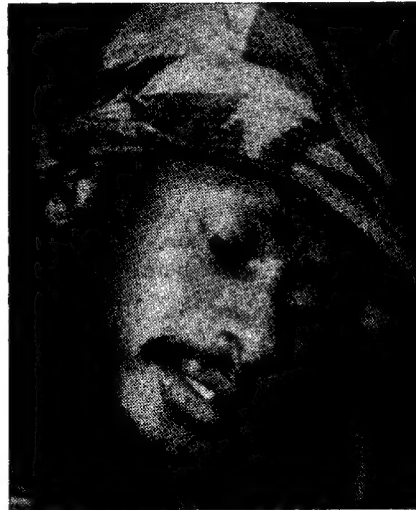


Figure 2. Yoweri Museveni, leader of the National Resistance Movement. [redacted] Weekly Review ©



Figure 3. Former President Yusufu Lule. [redacted] Keystone Press ©

25X1

25X1

personal rivalries have prevented effective cooperation thus far. Under Libyan prodding, dissidents announced a new coalition late last year, consisting of the three major groups, as well as former Presidents Lule and Binaisa—the leaders of the first two interim governments after Amin was overthrown. It is unlikely that the alliance—called the Uganda Popular Front—will be able to overcome the divisions among the dissidents. Lule and Binaisa add some international prestige to the alliance, but they have not been playing an active role in the dissident movement, and probably are out of touch with events in Uganda. [redacted]

25X1

Trouble in the Army

Tribally inspired coup plotting and dissension between the two major tribes in the roughly 15,000-man Army are potentially the most serious threats to the government. Members of the Acholi tribe, who reportedly make up about 60 percent of the Army, are unhappy over alleged favoritism shown to Obote's fellow Lango tribesmen. [redacted]

25X1

Secret

Most members of the Army come from northern Uganda. Thus, when undisciplined troops rob and kill civilians in Kampala and other parts of southern Uganda in the guise of antiguerrilla operations, they are endangering Obote's chances of gaining greater acceptance in the south. Many of the deaths during the recent fighting in Kampala apparently were caused by troops shooting innocent bystanders. Such incidents are likely to continue if nervous troops believe there is a significant risk of further guerrilla attacks in Kampala. [REDACTED]

25X1

Tensions also have increased between the Army and the police. The often better disciplined police recently replaced soldiers on foot patrols in Kampala in an effort to reduce looting and other criminal activity by the Army. Cooperation at senior levels of the two organizations reportedly is good, but personal and professional rivalry between lower level personnel has led to armed clashes. The spread of such violence would be another serious blow to Obote's effort to improve security in the capital. [REDACTED]

25X1

Foreign Military Involvement

Faced with the need to create an entirely new Army in the wake of Amin's downfall, Obote has cast about for military aid. His problems were aggravated by the withdrawal from Uganda last year of almost all of the remaining Tanzanian troops who ousted Amin. The Tanzanians had been the most effective security force in Uganda. Dar es Salaam reportedly will continue to provide about 30 military advisers to train the Ugandan Army, and some 700 Tanzanian police remain in Uganda providing protection for senior government officials. The Tanzanian police alone could not block a determined coup attempt, and Tanzanian President Nyerere—who is weary of his involvement in Uganda and plagued by his own economic problems—would be reluctant to send Tanzanian troops back to Uganda to save Obote. [REDACTED]

25X1

Although Obote cannot hope to get enough foreign security help to replace entirely the departed Tanzanians, he has been partly successful. A handful of North Korean military advisers are in Uganda providing training, and some Ugandan soldiers have gone to North Korea for training. Among African countries, Egypt has sent arms to the Kampala government and provided military training for Ugandan officers in Egypt, while Kenya and Sudan have trained Ugandan personnel in their countries. In addition, the United Kingdom recently persuaded Kenya, Tanzania, and several other Commonwealth countries to participate in a small military training program in Uganda, and several Ugandan officers are attending training courses in the United States. These efforts are unlikely to transform the Ugandan Army into a disciplined, effective force soon, but the foreign support helps to improve Obote's international image and his prestige at home. [REDACTED]

25X1

Secret

Secret

Table 2**Foreign Training Assistance for Ugandan Army**

| Country | Nature of Assistance |
|---------------|---|
| Australia | Participating in 36-man Commonwealth training group in Uganda. |
| Canada | Participating in Commonwealth training group. |
| Cuba | Twenty Ugandan soldiers recently returned from training course in Cuba. |
| Egypt | Ugandan soldiers are attending training course in Egypt. |
| Guyana | Participating in Commonwealth training group. |
| Jamaica | Participating in Commonwealth training group. |
| Kenya | Participating in Commonwealth training group; Ugandan soldiers also have attended courses in Kenya. |
| North Korea | Small group of North Korean military advisers providing training in Uganda. |
| Sierra Leone | Participating in Commonwealth training group. |
| Sri Lanka | Participating in Commonwealth training group. |
| Sudan | Ugandan soldiers have attended training courses in Sudan. |
| Tanzania | Has provided more training for Ugandan Army than any other country; participating in Commonwealth training group. |
| UK | Organized, and is providing the largest contingent for, the Commonwealth training group; Ugandans also have received military training in the UK. |
| United States | Six Ugandan officers are undergoing training in the United States. |

25X1

The USSR and Cuba, which supported Obote's first regime in the late 1960s, are providing only limited technical aid. Some 20 Ugandan officers recently completed military training in Cuba, but Kampala says it has no plans to send additional trainees to Cuba. Obote probably does not want to move closer to Moscow and Havana, in part to avoid jeopardizing Western economic aid. Although the two Communist powers are not happy with their lack of influence in Kampala, there is no indication that they have tried to promote the establishment of a more sympathetic government by supporting the Ugandan dissidents. [REDACTED]

25X1

The dissidents, in fact, have gained little foreign support. Guerrillas have been unable to develop an assured sanctuary outside of the country or a secure source of arms supply. Guerrillas staging raids into northwestern Uganda have used Sudanese and Zairian territory, but only against the wishes of these governments, which lack the military strength to prevent such activity. Kenya has permitted only low-key political activity by exiled Ugandan dissident leaders in Nairobi. [REDACTED]

25X1

Secret

Libya has been the dissidents' only source of significant military aid, but deliveries have been limited because of logistic difficulties and Tripoli's frustration over the dissidents' inability to unite and increase military pressure on Obote. Libyan arms deliveries to the guerrillas through Burundi and Rwanda have been hampered in part by the reluctance of these two countries to become conduits for such shipments. [REDACTED]

25X1

Nonetheless, the guerrillas may have recently acquired new arms from the Libyans. Ugandan officials claim that weapons with Arabic markings were captured during the fighting in Kampala in February. The guerrillas' attempt to seize arms and ammunition in the attacks suggests, however, that they are still short of military equipment. They hope the success of their attack will prompt Libya to give them additional weapons. [REDACTED]

25X1

Hopeful Signs in the Economy

By the time Obote's current government assumed office in December 1980, the economy had suffered from eight years of mismanagement and neglect under Amin, as well as from uncertain security conditions and several weak and indecisive governments after Amin was overthrown. During the last decade, Uganda's real gross domestic product decreased by one-third and per capita income shrank to among the lowest in the world. Although the country had been largely self-sufficient in food crops, declining production during the 1970s led to a need for significant food imports. The country suffered additionally because of a sharp drop in world coffee prices after 1977, at the same time that the economy had become even more heavily dependent on coffee earnings (about 95 percent of Uganda's exports in 1980). [REDACTED]

25X1

Obote's reforms, announced in June 1981, reduced the government's involvement in the economy, allowing freer rein to market forces. Obote removed price controls on consumer goods and increased producer prices for coffee and food. He also allowed the shilling to float on the foreign exchange market—in effect devaluing Uganda's currency. [REDACTED]

25X1

There have been some positive signs that the reforms could lead to significant economic growth, including improved performance prospects for this year. Although Uganda has one of the highest annual inflation rates in the world—more than 100 percent—some prices declined in response to the reforms. The Uganda shilling has depreciated from 7.8 to 86 per US dollar, severely curtailing black-market activities. Smuggling of coffee to Kenya has declined considerably as a result of higher producer prices, enabling Uganda last year to meet its international coffee export quota for the first time since 1973 and allowing the quota for 1982 to be increased from 120,000 to 174,000 metric tons. Coffee still makes up almost all of the country's export earnings, but the government hopes to resume

Secret

Secret

The Economy Before Amin

Uganda's economy was one of the most prosperous in Africa before Amin came to power in 1971. At independence in 1962, the British considered it one of the most promising of their African colonies. The average growth rate during Obote's first regime in the late 1960s was more than 6 percent per year. About 90 percent of the population was (and still is) employed in agriculture, which accounted for nearly 60 percent of gross domestic product and provided about 75 percent of Uganda's export earnings. Coffee made up over half the value of the country's exports, but cotton, tea, and copper also contributed significantly to export earnings.

 25X1

substantial tea exports and to reopen the copper mines. The IMF projects that Uganda's growth will reach 6 percent this year—substantially higher than it has been for the past decade.

25X1

Obote has helped his cause by attracting substantial economic help—mostly from the IMF and the West. In response to Obote's reforms, Uganda has received commitments of about \$750 million in economic assistance. The IMF and the World Bank have provided about \$250 million in balance-of-payments support. In addition, Obote's government has received promises of about \$500 million in project-related assistance. A number of Western countries also have agreed to ease Kampala's financial burden by canceling nearly \$70 million in payments on loans made to previous Ugandan governments, while other debt has been rescheduled.

25X1

Obote's economic reforms may still fail unless he is able to secure additional economic aid. Although the country will need substantially less food aid this year—in light of increased food production—it will remain dependent on substantial economic aid for some years to come. Some private Western investors are showing interest in Uganda and could make up part of the shortfall in financing from foreign governments, but these investments will not bring in urgently needed consumables, raw materials, and spare parts. Urban wage earners who do not have easy access to farm plots are finding it difficult to buy food at current prices. As a result, the urban poor are now particularly susceptible to recruitment by the dissidents.

25X1

Secret

Secret

The outlook for significant economic improvement also will depend on the government's effort to stabilize the security situation, particularly in Kampala and other parts of southern Uganda—the country's most economically advanced region. Substantial increases in productivity or investment are unlikely until effective law and order in the area are reestablished. [REDACTED]

25X1

Obote's Political Performance

After a faltering start during his first months in office, Obote has acted more confidently and decisively. He apparently has been encouraged by the failure of his opponents to unite and exploit his weaknesses. This time, too, Obote has followed more pragmatic and moderate policies than he did during his first regime, when his leftist ideology and harsh measures against domestic opponents eroded his support and paved the way for his ouster by Amin. [REDACTED]

25X1

Obote's ability to win greater acceptance in southern Uganda depends in part on whether his economic program continues to show promise and security improves. The Baganda, who make up about one-sixth of the population and are concentrated in the south, are unlikely to forget Obote's heavyhanded treatment of them. A clear indication that he will leave them alone to pursue their traditional interests in business and agriculture, however, probably would enable him to gain grudging acceptance from many of them. [REDACTED]

25X1

Although Uganda has a multiparty system, Obote's Uganda People's Congress (UPC) is strengthening its position at the expense of the Democratic Party—the only significant political opposition. Since his election Obote has paid lipservice to national reconciliation, but he has little interest in bringing Democratic Party leaders into the government. These leaders still believe that Obote's supporters rigged his election victory and thus usurped power that rightfully belongs to the Democratic Party. [REDACTED]

25X1

Since the beginning of the year, UPC leaders have persuaded seven Democratic Party members of the National Assembly to cross over to the UPC. The switches may have been linked to the government's release of a group of political prisoners, including several Democratic Party legislators. UPC advocates of a one-party state probably will use further inducements or pressure to encourage more Democratic Party members to defect. Such defections could help to broaden Obote's support, although some veteran UPC members are unhappy at having to share the spoils with the new recruits. Obote, therefore, is being careful in encouraging further defections from the Democratic Party, lest he alienate longtime supporters. [REDACTED]

25X1

25X1

Secret

Secret



Figure 4. President Milton Obote. [redacted]

Liaison ©



Figure 5. Vice President Paulo Muwanga. [redacted]

Sygma ©

25X1

25X1

Despite Obote's success in gaining some new support, the government's heavyhanded tactics in the aftermath of the guerrilla attack in Kampala and continuing atrocities by the Army against the Baganda and other southern tribes threaten to exacerbate the country's tribal and regional divisions and lead to increased instability. The arrest of large numbers of suspects following the attack has probably created additional sympathy for the dissidents. Obote and his followers, who have tolerated an opposition party mainly to buy time and please potential Western benefactors, would be likely to adopt even tougher measures to still dissent if they felt more secure and less dependent on foreign aid. Such a move would alienate more Ugandans, probably creating new recruits for the dissidents. [redacted]

25X1



25X1

25X1

A failure by Obote to show results, either in improving security or in making good on his economic recovery program, will jeopardize his position within his own regime. No senior official has shown any disloyalty thus far, but influential officials such as Vice President Muwanga probably still have their own power bases within the government and could decide to move against Obote. [redacted]

25X1

Secret

Secret

**Implications for
the United States**

Obote realizes that he needs considerable economic and military aid to strengthen his position and promote stability in Uganda. For now he is looking primarily to the West—including the United States—for economic assistance, and Kampala probably is preparing formal requests to the United States and other Western countries for additional military training and arms aid. The realistic limits of Western aid and the continuing civil disorder in Uganda, however, are likely to preclude any dramatic improvement in economic and security conditions in the near term. An increasingly hard-pressed Obote would not hesitate to turn elsewhere for an alternative to insufficient Western aid. He probably would try to revive his once close ties to Moscow or to seek greater assistance from Cuba and radical Arab states. [REDACTED]

25X1

A successor regime would be under pressure to demonstrate early progress in improving economic and security conditions and would also be tempted to establish closer ties with potential non-Western donors. Some possible successors had previous ties with the Soviet Bloc and the Libyans. Vice President Muwanga, for example, had friendly ties with Cuba when he headed the last interim government before Obote's election and has maintained contacts with the Libyans [REDACTED]

25X1

Even without greater Soviet influence in Uganda, the fall of Obote's government would affect US interests adversely, at least in the near term, by increasing tensions throughout East Africa. All of Obote's potential successors have even narrower bases of support than he, and none seems capable of maintaining even the present degree of government control over the country. [REDACTED]

25X1

Neighboring countries are already alarmed about the possibility of refugees and violence spilling over their borders. Most of Uganda's immediate neighbors have tried to cooperate with Obote to encourage stability in the country. A breakdown of these efforts will prompt moderate countries such as Kenya, Sudan, and Zaire to consider asking for greater US assistance. [REDACTED]

25X1

Secret

Secret

Approved For Release 2007/01/09 : CIA-RDP83B00225R000100210001-7

Secret

Approved For Release 2007/01/09 : CIA-RDP83B00225R000100210001-7